



*Administrator*  
Washington, DC 20201

**JUL 31 2002**

Mr. Bob Sharpe  
Deputy Secretary for Medicaid  
Florida Agency for Health Care Administration  
2728 Mahan Drive Mail Stop 38  
Tallahassee, FL 32308

Dear Mr. Sharpe:

We are pleased to inform you that your June 10, 2002, application for a Medicaid Section 1115 demonstration entitled "Ron Silver Senior Drug Program" has been approved as project number 11-W-00153/4 for a period of 5 years, beginning with the enrollment of the first demonstration participant. The approval is under authority of section 1115(a)(2) of the Social Security Act (the Act).

This approval will permit Florida to make available pharmacy benefits to low-income Medicare beneficiaries age 65 or above with income at or between 88 percent and 120 percent of the Federal poverty level (FPL) and who are not otherwise eligible for pharmacy benefits under the State plan approved under title XIX of the Act (Medicaid). We commend you for your interest in expanding pharmacy benefits to this population.

The Centers for Medicare & Medicaid Services (CMS) has determined that the Florida Ron Silver Senior Drug Program is likely to assist in promoting the objectives of the Medicaid program. This program would assist in paying for important medications to low-income seniors who otherwise would have spent large amounts on prescription drugs. Lack of ability to pay for needed prescription drugs is often a significant factor contributing to health problems of the low-income population. Those who use their limited financial resources to obtain needed drugs may do so by foregoing other expenditures important to their health and well-being. Expanded access to medically necessary drugs will make it much more likely that this category of individuals will be healthier and potentially able to avoid Medicaid eligibility. Furthermore, the Ron Silver Senior Drug Program would allow CMS to obtain valuable data regarding drug and other service utilization patterns for enrolled individuals.

Our approval of the Ron Silver Senior Drug Program demonstration (and the Federal matching authority provided for thereunder) is contingent upon the State's agreement to the enclosed special terms and conditions of approval. The special terms and conditions of approval also set forth in detail the nature, character, and extent of Federal involvement in this project. The award is subject to our receiving your written acceptance of the award within 30 days of the date of this letter.

All requirements of the Medicaid program expressed in law, regulation, and policy statement, not expressly waived or identified as not applicable in this letter, shall apply to the Ron Silver Senior Drug Program demonstration. Subject to approval of your protocol, as described in the special terms and conditions of approval, under the authority of section 1115(a)(2) of the Act, expenditures made by the State under the Florida Ron Silver Senior Drug Program for the items identified below (which are not otherwise included as expenditures under section 1903 of the Act) shall, for a period of 5 years, beginning with the enrollment of the first demonstration participant, be regarded as expenditures under the State's title XIX plan:

Expenditures for pharmacy benefits up to the State's specified benefit limit for individuals age 65 or above with income at or between 88 percent and 120 percent of the FPL who are not otherwise eligible for pharmacy benefits under the approved State Medicaid plan.

In addition, the following will not be applicable in this demonstration:

Premiums and Cost Sharing 1916

(To permit fixed premiums, and cost sharing that is more than nominal, to be imposed on demonstration participants.)

Amount Duration and Scope of Services 1902(a)(10)(B)

(To permit the State to offer demonstration participants benefits that are not equal in amount, duration and scope to other Medicaid beneficiaries.)

Retroactive Eligibility 1902(a)(34)

(To permit the State not to offer demonstration participants retroactive eligibility.)

Premiums 1902(a)(14)

(To permit the State to impose premiums on demonstration participants in excess of those that would be permitted under section 1916.)

Your project officer is Ms. Tammi Hessen, who can be reached at (410) 786-1025. Your project officer is available to answer any questions concerning the scope and implementation of the project described in your application. Communications regarding program matters, and official correspondence concerning the project, should be submitted to the project officer at the following address:

Center for Medicaid and State Operations  
Centers for Medicare & Medicaid Services  
Mail Stop S2-14-26  
7500 Security Boulevard  
Baltimore, Maryland 21244-1850  
E-mail: Thessen@cms.hhs.gov

Communications regarding program matters should be submitted simultaneously to the above listed project officer and Mr. Mike Multerer in the Atlanta Regional Office.

We extend our congratulations on this award and look forward to working with you during the course of the project.

Sincerely,

/s/  
Thomas A. Scully

Enclosures